

FARMERS STATE BANK

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Kathleen Thuman, President and CEO 2005 OCT 7 AM 9:58

October 3, 2005

Director John F. Carter
FDIC San Francisco Regional Office
25 Jessie Street at Ecker Square, Suite 2300
San Francisco, CA 94105

Dear Sir:

I realize that the comment period regarding the purchase of an ILC charter by Wal-Mart ended Sept. 23, 2005, but it has just come to my attention that it is possible for Wal-Mart to change their proposed business model after only three years of existence.

This seems very significant to me. Wal-Mart can claim it will use its charter only for back-office operations to obtain approval from regulators, then move into all activities allowed by law under FDIC insurance after a short time of existence. Statistics reveal the devastating effect the presence of Wal-Mart has had on family and community businesses across the country. In Iowa, fully 50% of small businesses in the state have closed since Wal-Mart came to their location. Are we really so naïve as to believe their only interest in banking is to assist in their own operation? They most certainly envision offering full banking services in the future, and are seeking any route open to them to achieve their goal.

Wal-Mart is seeking FDIC insurance as well as exemption from the Community Reinvestment Act. Their playing field is already so slanted in their favor that they are emboldened and do not hesitate to demand the moon and the stars. Why not? The bulldozer approach has certainly worked to their advantage in the retail industry. Wal-Mart Super Centers have demolished mom-and-pop grocery stores, hardware stores, clothing stores and automotive shops across the United States. Their next target is the community bank. Once Wal-Mart became the largest single supplier AND purchaser in the local market, they simply rewrote the rules of merchandising and forced their competitors out of business by refusing to pay reasonable prices for local goods, and demanding unreasonable prices for their own goods. I firmly believe the FDIC is sophisticated enough to see behind the smoke screen and NOT allow the giant to engage in the same destructive practices in banking as it has in retail business.

You are in control. Do not give Wal-Mart the moon and the stars. Thank you for reading my comments.

Sincerely,



MEMBER FDIC

CASE
NAME

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(D. P. Zomeni)